



Agenda Submittal

Agenda #: 14 **Status:** Regular Calendar
Type: Report **Department:** Auditor-Controller
File #: 19-733 **Contact:** Denny Cheuk, 784-3057
Agenda date: 10/1/2019 **Final action:** 10/1/2019
Title: Accept the Auditor-Controller's Follow-up Review Report on the Solano County Fair Audit for the years ended December 31, 2017 & 2016
Governing body: Board of Supervisors
District: All
Attachments: 1. A - SCF Follow-Up Report, 2. Minute Order

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|--------|--------|
| 10/1/2019 | 1 | Board of Supervisors | | |

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Auditor-Controller's Office (ACO) recommends the Board of Supervisors (BOS) accept the Follow-up Review Report on the Solano County Fair (SCF) Audit for the years ended December 31, 2017 & 2016.

SUMMARY AND DISCUSSION:

The SCF serves all citizens of Solano County and is managed by the Solano County Fair Association (SCFA). The SCFA was established as a 501(c) (3) nonprofit corporation in 1949 to conduct the annual County Fair and oversee the day-to-day operations of the County's fairgrounds property. The SCF is governed by the Solano County BOS via an appointed SCFA Board of Directors.

The activities of the SCF are accounted for in an enterprise fund, a proprietary fund type, which appears as a discretely presented component unit in the Comprehensive Annual Financial Report of the County of Solano, the reporting entity. An enterprise fund is used to account for those operations financed and operated in a manner similar to private businesses where the intent is that all costs (including depreciation and overhead) are financed or recovered through user charges.

Pursuant to the FY2019/20 audit plan, the ACO conducted a follow-up review of the SCF financial statement audit dated October 9, 2018 as of and for the years ended December 31, 2017 & 2016.

Based on the ACO follow-up review, the SCFA's management has implemented two (2) of the identified matters, Item 2 - SCF Management Reports and Item 4 - Compliance with CalPERS Enrollment Requirements. Item 3 - SCF Operations is currently in progress. Item 1 - SCF Reporting Structure has not been implemented.

FINANCIAL IMPACT:

The costs associated with preparing the agenda item are nominal and absorbed by the department's

FY2019/20 Adopted Budget.

ALTERNATIVES:

The BOS could elect to not receive the report. This alternative is not consistent with sound public policy and is therefore not recommended.

OTHER AGENCY INVOLVEMENT:

The Solano County Fair Association's Board of Directors was presented with this report on September 18, 2019. The County Administrator's Office has reviewed the report.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION